

AN ACT
RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF
CULTURAL AFFAIRS, THE ECONOMIC DEVELOPMENT AUTHORITY,
THE DEPARTMENT OF WORKFORCE DEVELOPMENT, THE IOWA FINANCE
AUTHORITY, THE PUBLIC EMPLOYMENT RELATIONS BOARD, AND
THE STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS, AND
PROVIDING FOR OTHER PROPERLY RELATED MATTERS, AND INCLUDING
EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I
FY 2014-2015 APPROPRIATIONS

Section 1. 2013 Iowa Acts, chapter 137, section 16,
subsection 1, is amended to read as follows:

SEC. 16. DEPARTMENT OF CULTURAL AFFAIRS.

1. There is appropriated from the general fund of the state
to the department of cultural affairs for the fiscal year
beginning July 1, 2014, and ending June 30, 2015, the following
amounts, or so much thereof as is necessary, to be used for the
purposes designated:

a. ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes,
and for not more than the following full-time equivalent
positions for the department:

.....	\$	85,907
		<u>176,882</u>
.....	FTEs	74.50

The department of cultural affairs shall coordinate
activities with the tourism office of the economic development
authority to promote attendance at the state historical
building and at this state's historic sites.

Full-time equivalent positions authorized under this paragraph shall be funded, in full or in part, using moneys appropriated under this paragraph and paragraphs "c" through "g".

b. COMMUNITY CULTURAL GRANTS
For planning and programming for the community cultural grants program established under section 303.3:
..... \$ 86,045
172,090

c. HISTORICAL DIVISION
For the support of the historical division:
..... \$ 1,583,851
3,167,701

d. HISTORIC SITES
For the administration and support of historic sites:
..... \$ 213,199
426,398

e. ARTS DIVISION
For the support of the arts division:
..... \$ 616,882
1,233,764

Of the moneys appropriated in this paragraph, the department shall allocate \$300,000 for purposes of the film office.

f. IOWA GREAT PLACES
For the Iowa great places program established under section 303.3C:
..... \$ 75,000
150,000

g. ARCHIVE IOWA GOVERNORS' RECORDS
For archiving the records of Iowa governors:
..... \$ 32,967
65,933

h. RECORDS CENTER RENT
For payment of rent for the state records center:
..... \$ 113,622
227,243

i. BATTLE FLAGS
For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection:
..... \$ 47,000
94,000

Sec. 2. 2013 Iowa Acts, chapter 137, section 18, is amended

to read as follows:

SEC. 18. ECONOMIC DEVELOPMENT AUTHORITY.

1. APPROPRIATION

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection, and for not more than the following full-time equivalent positions:

.....	\$	7,734,483
		<u>15,516,372</u>
.....	FTEs	149.00

b. (1) For salaries, support, miscellaneous purposes, programs, marketing, and the maintenance of an administration division, a business development division, a community development division, a small business development division, and other divisions the authority may organize.

(2) The full-time equivalent positions authorized under this section shall be funded, in whole or in part, by the moneys appropriated under this subsection or by other moneys received by the authority, including certain federal moneys.

(3) For business development operations and programs, international trade, export assistance, workforce recruitment, and the partner state program.

(4) For transfer to the strategic investment fund created in section 15.313.

(5) For community economic development programs, tourism operations, community assistance, plans for Iowa green corps and summer youth programs, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs.

(6) For achieving the goals and accountability, and fulfilling the requirements and duties required under this Act.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in this subsection until the close of the succeeding fiscal year.

2. FINANCIAL ASSISTANCE RESTRICTIONS

a. A business creating jobs through moneys appropriated in subsection 1 shall be subject to contract provisions requiring new and retained jobs to be filled by individuals who are

citizens of the United States who reside within the United States or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States.

b. Any vendor who receives moneys appropriated in subsection 1 shall adhere to such contract provisions and provide periodic assurances as the state shall require that the jobs are filled solely by citizens of the United States who reside within the United States or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States.

c. A business that receives financial assistance from the authority from moneys appropriated in subsection 1 shall only employ individuals legally authorized to work in this state. In addition to all other applicable penalties provided by current law, all or a portion of the assistance received by a business which is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the authority.

3. USES OF APPROPRIATIONS

a. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of a grant to a community economic development entity for conducting a local workforce recruitment effort designed to recruit former citizens of the state and former students at colleges and universities in the state to meet the needs of local employers.

b. From the moneys appropriated in subsection 1, the authority may provide financial assistance to early stage industry companies being established by women entrepreneurs.

c. From the moneys appropriated in subsection 1, the authority may provide financial assistance in the form of grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

d. The authority shall not use any moneys appropriated in subsection 1 for purposes of providing financial assistance for the Iowa green streets pilot project or for any other program or project that involves the installation of geothermal systems for melting snow and ice from streets or sidewalks.

4. WORLD FOOD PRIZE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following

amount for the world food prize and in lieu of the standing appropriation in section 15.368, subsection 1:
..... \$ 400,000
800,000

5. IOWA COMMISSION ON VOLUNTEER SERVICE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount for allocation to the Iowa commission on volunteer service for purposes of the Iowa state commission grant program, the Iowa's promise and Iowa mentoring partnership programs, and for not more than the following full-time equivalent positions:
..... \$ 89,067
178,133
..... FTEs 7.00

Of the moneys appropriated in this subsection, the authority shall allocate ~~\$37,500~~ \$75,000 for purposes of the Iowa state commission grant program and ~~\$51,567~~ \$103,133 for purposes of the Iowa's promise and Iowa mentoring partnership programs.

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

6. COUNCILS OF GOVERNMENTS — ASSISTANCE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount to be used for the purposes of providing financial assistance to Iowa's councils of governments:
..... \$ 87,500
200,000

Sec. 3. 2013 Iowa Acts, chapter 137, section 21, is amended to read as follows:

SEC. 21. WORKFORCE DEVELOPMENT FUND ACCOUNT.

1. There Notwithstanding section 15.342A, as amended by this Act, there is appropriated from the workforce development fund account created in section 15.342A to the ~~workforce development fund created in section 15.343~~ following funds for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following ~~amount~~ amounts, ~~for purposes of the workforce development fund~~ to be used for the purposes

designated:

a. JOB TRAINING FUND

For deposit in the job training fund created in section 260F.6, as amended in this Act:

..... \$ 2,000,000
3,000,000

b. APPRENTICESHIP TRAINING PROGRAM FUND

For deposit in the apprenticeship training program fund created in section 15B.3, as enacted in this Act:

..... \$ 2,750,000

2. The first \$250,000 of any unexpended or unobligated moneys accruing to the workforce development fund created in section 15.343, Code 2014, as a result of section 260F.6A, as repealed by this Act, shall be allocated for purposes of the apprenticeship training program. Any unexpended or unobligated moneys accruing to the workforce development fund created in section 15.343, Code 2014, as a result of section 260F.6A, as repealed by this Act, after the first \$250,000, shall be allocated equally between the job training program and the apprenticeship training program.

Sec. 4. 2013 Iowa Acts, chapter 137, section 22, is amended to read as follows:

SEC. 22. IOWA FINANCE AUTHORITY.

1. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the rent subsidy program:

..... \$ 329,000
658,000

2. Participation in the rent subsidy program shall be limited to only those persons who meet the requirements for the nursing facility level of care for home and community-based services waiver services as in effect on July 1, 2014, and to those individuals who are eligible for the federal money follows the person grant program under the medical assistance program. Of the moneys appropriated in this section, not more than \$35,000 may be used for administrative costs.

Sec. 5. 2013 Iowa Acts, chapter 137, section 24, is amended to read as follows:

SEC. 24. PUBLIC EMPLOYMENT RELATIONS BOARD.

1. There is appropriated from the general fund of the state

to the public employment relations board for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	670,963
		<u>1,342,452</u>
.....	FTEs	10.00

2. Of the moneys appropriated in this section, the board shall allocate \$15,000 for maintaining a website that allows searchable access to a database of collective bargaining information.

Sec. 6. 2013 Iowa Acts, chapter 137, section 25, is amended to read as follows:

SEC. 25. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

a. For the division of labor services, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,774,360
		<u>3,823,539</u>
.....	FTEs	65.00

b. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

c. Of the moneys appropriated under this subsection, the department shall allocate \$53,280 for the purpose of employing an additional investigator to investigate wage enforcement.

2. DIVISION OF WORKERS' COMPENSATION

a. For the division of workers' compensation, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,629,522
		<u>3,259,044</u>
.....	FTEs	30.00

b. The division of workers' compensation shall charge a \$100 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. The moneys generated by the filing fee allowed under this subsection are appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

3. WORKFORCE DEVELOPMENT OPERATIONS

a. For the operation of field offices, the workforce development board, and for not more than the following full-time equivalent positions:

.....	\$	4,589,707
		<u>9,179,413</u>
.....	FTEs	130.00

b. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate \$150,000 to the state library for the purpose of licensing an online resource which prepares persons to succeed in the workplace through programs which improve job skills and vocational test-taking abilities.

c. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate at least \$1,130,602 for the operation of the three satellite field offices projected by the department to serve the most people from the offices located in Decorah, Fort Madison, Iowa City, or Webster City.

4. OFFENDER REENTRY PROGRAM

a. For the development and administration of an offender reentry program to provide offenders with employment skills, and for not more than the following full-time equivalent positions:

.....	\$	142,232
		<u>358,464</u>
.....	FTEs	4.00

b. The department of workforce development shall partner with the department of corrections to provide staff within the correctional facilities to improve offenders' abilities to find and retain productive employment.

5. NONREVERSION

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for

expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 7. 2013 Iowa Acts, chapter 137, section 26, is amended to read as follows:

SEC. 26. GENERAL FUND — EMPLOYEE MISCLASSIFICATION PROGRAM. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enhancing efforts to investigate employers that misclassify workers and for not more than the following full-time equivalent positions:

.....	\$	225,729
		<u>451,458</u>
.....	FTEs	8.10

Sec. 8. 2013 Iowa Acts, chapter 137, section 27, is amended to read as follows:

SEC. 27. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.
1. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for field offices:

.....	\$	883,042
		<u>1,766,084</u>

2. Any remaining additional penalty and interest revenue collected by the department of workforce development is appropriated to the department for the fiscal year beginning July 1, 2014, and ending June 30, 2015, to accomplish the mission of the department.

Sec. 9. 2013 Iowa Acts, chapter 137, section 28, is amended to read as follows:

SEC. 28. UNEMPLOYMENT COMPENSATION RESERVE FUND — FIELD OFFICES. Notwithstanding section 96.9, subsection 8, paragraph “e”, there is appropriated from interest earned on the unemployment compensation reserve fund to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount or so much thereof as is necessary, for the purposes designated:

For the operation of field offices:		
.....	\$	247,000
		<u>400,000</u>

Sec. 10. 2013 Iowa Acts, chapter 141, section 54, subsections 2, 3, and 5, are amended to read as follows:

2. ECONOMIC DEVELOPMENT AUTHORITY

a. For the purposes of providing assistance under the high quality jobs program as described in section 15.335B:
..... \$ ~~8,450,000~~
16,900,000

b. From the moneys appropriated in this subsection, the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

c. As a condition of receiving moneys appropriated in this subsection, an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

3. REGENTS INSTITUTIONS

a. To the state board of regents for capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in implementation of activities under chapter 262B:
..... \$ ~~1,500,000~~
3,000,000

Of the moneys appropriated pursuant to this paragraph, 35 percent shall be allocated for Iowa state university, 35 percent shall be allocated for the university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

(1) The institutions shall provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this paragraph.

(2) The state board of regents shall annually submit a report by January 15 of each year to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys allocated under this paragraph. The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the economic development authority. The metrics and criteria shall allow the governor's office and the general assembly to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects,

and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

b. To Iowa state university of science and technology for small business development centers, the science and technology research park, and the institute for physical research and technology, and for not more than the following full-time equivalent positions:

.....	\$	1,212,151
		<u>2,424,302</u>
.....	FTEs	56.63

(1) Of the moneys appropriated in this paragraph, Iowa state university of science and technology shall allocate at least ~~\$367,864~~ \$735,728 for purposes of funding small business development centers. Iowa state university of science and technology may allocate moneys appropriated in this paragraph to the various small business development centers in any manner necessary to achieve the purposes of this paragraph.

(2) Iowa state university of science and technology shall do all of the following:

(a) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(b) Provide emphasis to providing services to Iowa-based companies.

(3) It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations, and that moneys for the institute for physical research and technology industrial incentive program shall be allocated only for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 10, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and

the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

c. To the state university of Iowa for the state university of Iowa research park and for the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	104,640
		<u>209,279</u>
.....	FTEs	6.00

The state university of Iowa shall do all of the following:

(1) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(2) Provide emphasis to providing services to Iowa-based companies.

d. To the state university of Iowa for the purpose of implementing the entrepreneurship and economic growth initiative, and for not more than the following full-time equivalent positions:

.....	\$	1,000,000
		<u>2,000,000</u>
.....	FTEs	8.00

e. To the university of northern Iowa for the metal casting institute, the MyEntreNet internet application, and the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	533,209
		<u>1,066,419</u>
.....	FTEs	9.75

(1) Of the moneys appropriated pursuant to this paragraph, the university of northern Iowa shall allocate at least ~~\$308,819~~ \$617,639 for purposes of support of entrepreneurs through the university's regional business center and economic gardening program.

(2) The university of northern Iowa shall do all of the following:

(a) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

(b) Provide emphasis to providing services to Iowa-based companies.

f. As a condition of receiving moneys appropriated in this subsection, an entity shall testify upon the request of

the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

5. DEPARTMENT OF WORKFORCE DEVELOPMENT

To develop a long-term sustained program to train unemployed and underemployed central Iowans with skills necessary to advance to higher-paying jobs with full benefits:

..... \$ 50,000
100,000

a. The department of workforce development shall begin a request for proposals process, issued for purposes of this subsection, no later than September 1, 2014.

b. As a condition of receiving moneys appropriated under this subsection, an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

Sec. 11. SMALL BUSINESS DEVELOPMENT CENTERS. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes of funding small business development centers:

..... \$ 101,000

Sec. 12. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIPS — APPROPRIATION. There is appropriated from the general fund of the state to the Iowa economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, for the purposes designated:

For the funding of internships for students studying in the fields of science, technology, engineering, and mathematics with eligible Iowa employers as provided in section 15.411, subsection 3, paragraph “c”, as enacted by this Act:

..... \$ 1,000,000

1. No more than 3 percent of the moneys appropriated pursuant to this section may be used by the authority for costs associated with administration of the internship program as amended by 2014 Iowa Acts, House File 2329, 2014 Iowa Acts, Senate File 2324, or 2014 successor legislation, if enacted. Notwithstanding section 8.33, moneys appropriated in this section which remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsequent fiscal years.

2. It is the intent of the general assembly to appropriate moneys to the authority for the fiscal year beginning July 1, 2015, and ending June 30, 2016, to fund internships for students studying in the fields of science, technology, engineering, and mathematics.

DIVISION II

WORKFORCE DEVELOPMENT FUND ACCOUNT CHANGES

Sec. 13. Section 15.342A, Code 2014, is amended to read as follows:

15.342A Workforce development fund account.

1. A workforce development fund account is established in the office of the treasurer of state under the control of the authority. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~four~~ six million dollars per year.

2. For the fiscal year beginning July 1, 2014, and for each fiscal year thereafter, there is annually appropriated from the workforce development fund account to the apprenticeship training program fund created in section 15B.3 three million dollars for the purposes of chapter 15B.

3. For the fiscal year beginning July 1, 2014, and for each fiscal year thereafter, there is annually appropriated from the workforce development fund account to the job training fund created in section 260F.6 three million dollars for the purposes of chapter 260F.

Sec. 14. Section 422.16A, Code 2014, is amended to read as follows:

422.16A Job training withholding — certification and transfer.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15E.197, the sponsoring community college shall report to the economic development authority the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The economic development authority shall notify the department of revenue of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the

quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ~~four~~ six million dollars.

Sec. 15. FY 2014-2015 WORKFORCE DEVELOPMENT FUND TRANSFER. Notwithstanding sections 15.342A and 422.16A, as amended in this Act, the maximum amount from all employers which shall be transferred pursuant to section 422.16A to the workforce development fund account for the fiscal year beginning July 1, 2014, and ending June 30, 2015, is \$5,750,000.

DIVISION III

JOBS TRAINING AND APPRENTICESHIP TRAINING

Sec. 16. Section 15.108, subsection 6, paragraph a, Code 2014, is amended to read as follows:

a. Coordinate and perform the duties specified under the Iowa industrial new jobs training Act in chapter 260E, ~~the Iowa jobs training Act in chapter 260F~~, and the workforce development fund in section 15.341.

Sec. 17. NEW SECTION. 15B.1 Title.

This chapter shall be known and may be cited as the "*Iowa Apprenticeship Act*".

Sec. 18. NEW SECTION. 15B.2 Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "*Apprentice*" means a person who is at least sixteen years of age, except where a higher minimum age is required by law, who is employed in an apprenticesable occupation, and is registered in Iowa with the United States department of labor, office of apprenticeship.

2. "*Apprenticeable occupation*" means an occupation approved for apprenticeship by the United States department of labor, office of apprenticeship.

3. "*Apprenticeship program*" means a program registered with the United States department of labor, office of apprenticeship, which includes terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement.

4. "*Apprenticeship sponsor*" means an entity operating an apprenticeship program or an entity in whose name an apprenticeship program is being operated, which is registered with or approved by the United States department of labor,

office of apprenticeship.

5. "*Authority*" means the economic development authority created in section 15.105.

6. "*Financial assistance*" means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the forms of grants, loans, forgivable loans, and royalty payments.

7. "*Fund*" means the apprenticeship training program fund created in section 15B.3.

8. "*Lead apprenticeship sponsor*" means a trade organization, labor organization, employer association, or other incorporated entity representing a group of apprenticeship sponsors.

Sec. 19. NEW SECTION. 15B.3 Apprenticeship training program — fund.

1. An apprenticeship training program fund is created as a revolving fund in the state treasury under the control of the authority.

2. The fund shall consist of moneys appropriated for purposes of the apprenticeship training program, and any other moneys lawfully available to the authority for purposes of this chapter.

3. Moneys in the fund are appropriated to the authority for the purposes of this chapter.

4. No more than two percent of the total moneys deposited in the fund on July 1 of a fiscal year is appropriated to the authority for the purposes of administering this chapter.

5. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

6. The authority shall adopt rules to administer this chapter.

Sec. 20. NEW SECTION. 15B.4 Financial assistance for an apprenticeship program.

1. a. An apprenticeship sponsor or lead apprenticeship sponsor conducting apprenticeship programs registered with the United States department of labor, office of apprenticeship, through Iowa, for apprentices who will be employed at Iowa worksites may apply to the authority for a training grant under this section.

b. Financial assistance received by an apprenticeship

sponsor or lead apprenticeship sponsor under this section shall be used only for the cost of conducting and maintaining an apprenticeship program.

2. The authority shall provide financial assistance in the form of training grants to apprenticeship sponsors or lead apprenticeship sponsors in the following manner:

a. By determining the total amount of funding allocated for purposes of training grants for apprenticeship programs pursuant to section 15B.3.

b. By adding together all of the following:

(1) The total number of apprentices trained by all applying apprenticeship sponsors or lead apprenticeship sponsors during the most recent training year as calculated on the last day of the training year.

(2) The total number of contact hours that apprenticeship instructors for all applying apprenticeship sponsors or lead apprenticeship sponsors spent in contact with apprentices during the most recent training year. For purposes of this subparagraph, "*contact hours*" includes the time spent instructing apprentices in person or, in the case of a lead apprenticeship sponsor with programs totaling one hundred or more total instructional hours, "*contact hours*" includes the time spent in online training if the total amount of online instruction does not account for more than thirty percent of the total instructional hours.

c. By adding together all of the following:

(1) The total number of apprentices trained by a single applying apprenticeship sponsor or lead apprenticeship sponsor during the most recent training year as calculated on the last day of the training year.

(2) The total number of contact hours that apprenticeship instructors for a single applying apprenticeship sponsor or lead apprenticeship sponsor spent in contact with apprentices during the most recent training year. For purposes of this subparagraph, "*contact hours*" includes the time spent instructing apprentices in person or, in the case of a lead apprenticeship sponsor with programs totaling one hundred or more total instructional hours, "*contact hours*" includes the time spent in online training if the total amount of online instruction does not account for more than thirty percent of the total instructional hours.

d. By determining the proportion, stated as a percentage, that a single applying apprenticeship sponsor's or lead

apprenticeship sponsor's total calculated pursuant to paragraph "c" bears to all applying apprenticeship sponsors' or lead apprenticeship sponsors' total calculated pursuant to paragraph "b".

e. By multiplying the percentage calculated in paragraph "d" by the amount determined in paragraph "a".

3. An apprenticeship sponsor or lead apprenticeship sponsor seeking financial assistance under this section shall provide the following information to the authority:

a. The federal apprentice registration number of each apprentice in the apprenticeship program.

b. The address and a description of the physical location where in-person training is conducted.

c. A certification of the apprenticeship sponsor's training standards as most recently approved by the United States department of labor, office of apprenticeship or, in the case of a lead apprenticeship sponsor, a representative sample of participating members' training standards.

d. A certification of the apprenticeship sponsor's compliance review or quality assessment as most recently conducted by the United States department of labor, office of apprenticeship, unless the apprenticeship sponsor has not been subjected to a compliance review or quality assessment. In the case of a lead apprenticeship sponsor, a sampling of compliance reviews or quality assessments from participating members shall be sufficient.

e. Any other information the authority reasonably determines is necessary.

4. The apprenticeship sponsor or lead apprenticeship sponsor and the authority shall enter into an agreement regarding the provision of any financial assistance to the apprenticeship sponsor or lead apprenticeship sponsor.

5. Notwithstanding the provisions of this section, an apprenticeship program receiving funds from section 260F.6 or other community college funding sources in the fiscal year beginning July 1, 2013, and ending June 30, 2014, shall receive no less than that amount from the fund in the fiscal year beginning July 1, 2014, and ending June 30, 2015.

Sec. 21. NEW SECTION. 15B.5 Apprenticeship training program advisory board.

1. An apprenticeship training program advisory board is established to advise the authority on issues concerning the apprenticeship training program.

2. The advisory board shall consist of the following members:

- a.* One member of the master builders of Iowa.
- b.* One member of the associated builders and contractors of Iowa.
- c.* One member of the heavy highway contractors association domiciled in Iowa.
- d.* One member of the associated general contractors of Iowa.
- e.* One member of the technology association of Iowa.
- f.* One member of the Iowa association of business and industry.
- g.* One member representing the mechanical contractors association of Iowa.
- h.* Five members, one member each from different labor organizations. The Iowa state building and construction trades council shall select five members from different labor organizations within the construction trade.
- i.* One member from the Iowa federation of labor.
- j.* One member representing community college apprenticeship programs.
- k.* One member representing the authority.
- l.* One member representing the department of education.
- m.* One member of the United States department of labor, office of apprenticeship, serving as an ex-officio, nonvoting member.
- n.* Four members of the general assembly serving as ex officio, nonvoting members, one representative to be appointed by the speaker of the house of representatives, one representative to be appointed by the minority leader of the house of representatives, one senator to be appointed by the majority leader of the senate, and one senator to be appointed by the minority leader of the senate.

3. *a.* The voting members of the advisory board and the member from the United States department of labor, office of apprenticeship, shall be selected by the named entity or entities. The member representing the community college apprenticeship programs shall be selected by the Iowa association of community college trustees.

b. The voting members of the advisory board and the member from the United States department of labor, office of apprenticeship, shall serve three-year staggered terms. If a vacancy occurs a successor shall be selected in the same manner and subject to the same qualifications as the original

selection to serve the remainder of the term.

c. The legislative members of the advisory board shall serve terms as provided in section 69.16B. A legislative member may designate another person to attend an advisory board meeting if the member is unavailable.

4. The voting members shall elect a chairperson and vice chairperson annually from the voting membership of the advisory board. A majority of the voting members of the advisory board constitute a quorum. If the chairperson and vice chairperson are unable to preside over the advisory board due to absence or disability, a majority of the voting members present may elect a temporary chairperson providing a quorum is present.

5. The advisory board shall do all of the following:

a. Advise the authority on issues related to apprenticeship programs supported pursuant to this chapter.

b. Promote the development of new and the expansion of existing apprenticeship programs in Iowa.

c. In collaboration with the department of education, educate students about apprenticeship training opportunities and promote apprenticeship training in middle school and high school.

Sec. 22. Section 260C.18A, subsection 2, paragraph b, Code 2014, is amended to read as follows:

b. Projects in which an agreement between a community college and a business meet all the requirements of the Iowa jobs training Act under chapter 260F. ~~However, projects funded by moneys provided by a local workforce training and economic development fund of a community college are not subject to the maximum advance or award limitations contained in section 260F.6, subsection 2, or the allocation limitations contained in section 260F.8, subsection 1.~~

Sec. 23. Section 260F.2, subsection 2, Code 2014, is amended by striking the subsection.

Sec. 24. Section 260F.2, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. "*Department*" means the department of education.

Sec. 25. Section 260F.2, subsections 4, 5, 10, and 11, Code 2014, are amended to read as follows:

4. "~~Date of commencement of the project~~" commencement" means the date of the preliminary signed agreement ~~or the date an application for assistance is received by the authority.~~

5. "*Eligible business*" or "*business*" means a business

training employees which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, commercial construction, or providing services in interstate commerce including electronic commerce, but excludes retail, health, or professional services and which meets the other criteria established by the authority department. "*Eligible business*" does not include a business whose training costs can be economically funded under chapter 260E, a business which closes or substantially reduces its employment base in order to relocate substantially the same operation to another area of the state, or a business which is involved in a strike, lockout, or other labor dispute in Iowa.

10. "*Program services*" includes but is not limited to the following:

- a. Training of employees.
- b. Adult basic education and job-related instruction.
- c. Vocational and skill-assessment services and testing.
- d. Training facilities, equipment, materials, and supplies.
- e. Administrative expenses incurred by community colleges for the jobs training program, in an amount not to exceed five percent of the total project cost.

f. Subcontracted services with institutions governed by the state board of regents, private colleges or universities, or other federal, state, or local agencies.

g. Contracted or professional services.

11. "*Project*" means a training arrangement which is the subject of an agreement entered into between the community college and a business to provide program services. ~~"Project" also means an authority-sponsored training arrangement which is sponsored by the authority and administered under sections 260F.6A and 260F.6B.~~

Sec. 26. Section 260F.3, Code 2014, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. Type of training to be delivered.

NEW SUBSECTION. 4B. Amount of employer match.

Sec. 27. NEW SECTION. 260F.4 Financial assistance — restrictions.

1. The maximum award of financial assistance for any one project is fifty thousand dollars.

2. A business may be approved for multiple projects, but the total financial assistance award to a business shall not exceed one hundred thousand dollars within a three-year period.

3. An award of financial assistance does not include reimbursement to the business for employee wages while the employee is in training.

4. An award of financial assistance is based on the actual cost of services.

5. A business's request for financial assistance shall be commensurate with training needs.

6. Community colleges shall provide financial assistance to a business on a reimbursement basis or by directly paying for training expenses from an account administered by the community college.

7. *a.* A business shall provide a cash match or in-kind match in order to be eligible for financial assistance pursuant to this section.

b. A business requesting financial assistance of less than five thousand dollars for a program shall provide an in-kind match.

c. A business requesting financial assistance of five thousand dollars or more for a program shall provide cash to pay at least twenty-five percent of the total project cost, including training and administration costs.

d. An in-kind match includes employee wages paid by the business during the training period, the value of business-provided facilities and equipment used for training, or the value of any other resource provided by the business to facilitate the training program.

Sec. 28. NEW SECTION. 260F.5 Community college annual report.

1. Each community college shall submit an annual report to the governor, the general assembly, and the department by September 1 documenting the job training programs funded and the community college training fund during the previous fiscal year.

2. The report shall address the performance metrics established by the department for the job training program pursuant to section 260F.8.

3. The report shall include the following information concerning the community college training fund created pursuant to section 260F.6 for that community college:

a. The number of projects and the amount paid for each project out of the fund.

b. The amount of money remaining in the fund at the end of the fiscal year.

c. An accounting of any other moneys spent out of the fund in the fiscal year.

4. The report shall be submitted in a manner and form prescribed by the department.

Sec. 29. Section 260F.6, subsection 1, Code 2014, is amended to read as follows:

1. There is ~~established~~ created as a revolving fund for the community colleges a job training fund ~~in the economic development authority in the workforce development fund to be administered by the department.~~ The job training fund consists of moneys appropriated for the purposes of this chapter ~~plus the interest and principal from repayment of advances made to businesses for program costs, plus the repayments, including interest, of loans made from that retraining fund, and interest earned from moneys in the job training fund.~~ Moneys in the fund are appropriated to the department for purposes of this chapter.

Sec. 30. Section 260F.6, subsections 2 and 3, Code 2014, are amended by striking the subsections and inserting in lieu thereof the following:

2. A community college training fund is created for each community college. Moneys in the job training fund shall be allocated to each community college training fund pursuant to the formula established in section 260C.18C. A project meeting the criteria of an eligible business established by the department is funded upon the approval of the community college's board of directors.

3. Notwithstanding section 8.33, moneys in the community college training funds and the job training fund created in this section at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the purpose designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the funds shall be credited to the funds.

Sec. 31. Section 260F.7, Code 2014, is amended to read as follows:

260F.7 ~~Economic development authority~~ Department of education to coordinate.

~~The economic development authority, in consultation with the department of education and the department of workforce development,~~ department shall coordinate the jobs training program. ~~A project shall not be funded under this chapter~~

~~unless the economic development authority approves the project.~~
The authority department shall adopt rules pursuant to chapter 17A governing the program's operation and eligibility for participation in the program. The authority department shall establish by rule criteria for determining what constitutes an eligible business.

Sec. 32. Section 260F.8, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

260F.8 Program assessment, development, and coordination.

1. The department shall establish performance metrics for the job training programs funded under this chapter and assess program outcomes on an annual basis.

2. A community college may retain up to ten percent of the total project cost for the following purposes:

a. Outreach to employers by community college business and industry outreach staff.

b. Monitoring the performance of training agreements and accountability measures.

c. Development of training project and program plans.

d. Business development activities.

Sec. 33. Section 403.21, subsections 1 and 3, Code 2014, are amended to read as follows:

1. In order to promote communication and cooperation among cities, counties, and community colleges with respect to the allocation and division of taxes, no jobs training projects as defined in chapter 260E ~~or 260F~~ shall be undertaken within the area of operation of a municipality after July 1, 1995, unless the municipality and the community college have entered into an agreement or have jointly adopted a plan relating to a community college's new jobs training program which shall provide for a procedure for advance notification to each affected municipality, for exchange of information, for mutual consultation, and for procedural guidelines for all such new jobs training projects, including related project financing to be undertaken within the area of operation of the municipality. The joint agreement or the plan shall state its precise duration and shall be binding on the community college and the municipality with respect to all new jobs training projects, including related project financing undertaken during its existence. The joint agreement or plan shall be effective upon adoption and shall be placed on file in the office of the secretary of the board of directors of the community college and such other location as may be stated in the joint agreement

or plan. The joint agreement or plan shall also be sent to each school district which levied or certified for levy a property tax on any portion of the taxable property located in the area of operation of the municipality in the fiscal year beginning prior to the calendar year in which the plan is adopted or the agreement is reached. If no such agreement is reached or plan adopted, the community college shall not use incremental property tax revenues to fund jobs training projects within the area of operation of the municipality. Agreements entered into between a community college and a city or county pursuant to chapter 28E shall not apply.

3. ~~The community college shall send a copy of the final agreement prepared pursuant to section 260F.3 to the economic development authority.~~ For each year in which incremental property taxes are used to retire debt service on a jobs training advance issued for a project creating new jobs, the community college shall provide to the economic development authority a report of the incremental property taxes and new jobs credits from withholding generated for that year, a specific description of the training conducted, the number of employees provided ~~program~~ services under the project, the median wage of employees in the new jobs in the project, and the administrative costs directly attributable to the project.

Sec. 34. Section 558.1, Code 2014, is amended to read as follows:

558.1 "Instruments affecting real estate" defined — revocation.

All instruments containing a power to convey, or in any manner relating to real estate, including certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and a jobs training agreement entered into under chapter 260E ~~or 260F~~ between an employer and community college which contains a description of the real estate affected, shall be held to be instruments affecting the same; and no such instrument, when acknowledged or certified and recorded as in this chapter prescribed, can be revoked as to third parties by any act of the parties by whom it was executed, until the instrument containing such revocation is acknowledged and filed for record in the same office in which the instrument containing such power is recorded, except that uniform commercial code financing statements and financing statement changes as provided in chapter 554 need not be thus

acknowledged.

Sec. 35. REPEAL. Section 15.343, Code 2014, is repealed.

Sec. 36. REPEAL. Section 260F.6A, Code 2014, is repealed.

Sec. 37. REPEAL. Section 260F.6B, Code 2014, is repealed.

Sec. 38. RULES. The economic development authority and the department of education shall adopt rules to administer this Act.

Sec. 39. TRANSFER OF FUNDS. Except as otherwise provided in this Act, all moneys in the workforce development fund, created in section 15.343, Code 2014, as of the effective date of this division of this Act and any moneys accruing to the workforce development fund, created in section 15.343, Code 2014, after the effective date of this division of this Act, shall be distributed equally between the job training fund created in section 260F.6, as amended in this Act, and the apprenticeship training program fund created in section 15B.3, as enacted in this Act, and deposited in the job training fund and the apprenticeship training program fund.

DIVISION IV

IOWA PRODUCTS

Sec. 40. IOWA PRODUCTS. As a condition of receiving an appropriation, any agency appropriated moneys pursuant to this Act shall give first preference when purchasing a product to an Iowa product or a product produced from an Iowa-based business. Second preference shall be given to a United States product or a product produced from a business based in the United States.

DIVISION V

STEM INTERNSHIPS

Sec. 41. Section 15.411, subsection 3, Code 2014, is amended to read as follows:

3. a. The authority shall establish and administer an ~~innovative businesses~~ internship program with two components for Iowa students. For purposes of this subsection, "*Iowa student*" means a student of an Iowa community college, private college, or institution of higher learning under the control of the state board of regents, or a student who graduated from high school in Iowa but now attends an institution of higher learning outside the state of Iowa.

b. The purpose of the first component of the program is to link Iowa students to small and medium sized Iowa firms through internship opportunities. An Iowa employer may receive financial assistance in an amount of one dollar for every two dollars paid by the employer to an intern. The amount

of financial assistance shall not exceed three thousand one hundred dollars for any single internship, or nine thousand three hundred dollars for any single employer. In order to be eligible to receive financial assistance under this ~~subsection~~ paragraph, the employer must have five hundred or fewer employees and must be an innovative business. The authority shall encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the first component of the internship program.

c. (1) The purpose of the second component of the program is to assist in placing Iowa students studying in the fields of science, technology, engineering, and mathematics into internships that lead to permanent positions with Iowa employers. The authority shall collaborate with eligible employers, including but not limited to innovative businesses, to ensure that the interns hired are studying in such fields. An Iowa employer may receive financial assistance in an amount of one dollar for every dollar paid by the employer to an intern. The amount of financial assistance shall not exceed five thousand dollars per internship. The authority may adopt rules to administer this component.

(2) The requirement to administer this component of the internship program is contingent upon the provision of funding for such purposes by the general assembly.

DIVISION VI

FINANCIAL ASSISTANCE FOR BORDER COUNTY HOSPITALS

Sec. 42. FINANCIAL ASSISTANCE FOR BORDER COUNTY HOSPITALS.

1. Notwithstanding the purposes provided under section 16.182, subsection 1, section 16.183, subsection 1, section 16.184, subsection 1, and section 16.185, subsection 1, the Iowa finance authority created in section 16.1A shall use moneys from the funds created in sections 16.182, 16.183, 16.184, and 16.185 to provide financial assistance directly to hospitals in counties that border other states. A border county hospital may apply to the authority for financial assistance and the authority shall provide financial assistance pursuant to this section if the applying hospital meets the criteria described in subsection 2 and funding is available.

2. To qualify for financial assistance pursuant to this section, a hospital shall meet the following criteria:

a. The hospital is licensed in this state and is located in a county bordering two states.

b. The hospital is located in a county with a population of greater than 25,000 persons, but less than 50,000 persons.

c. Not less than ninety percent of the operations of the hospital are located within this state.

d. Based upon the hospital's net worth, cash flow, debt-to-asset ratio, and other criteria prescribed by the authority, the applying hospital has determined that without receiving financial assistance pursuant to this section, the hospital could not reasonably be expected to obtain, retain, restructure, or service loans or other financing for operating expenses or cash flow requirements on a reasonable and affordable basis.

3. a. The Iowa finance authority shall provide financial assistance pursuant to this section in the form of a loan. The loan may be a secured or unsecured direct loan to the qualifying hospital.

b. The amount of financial assistance provided pursuant to this section as a secured or unsecured direct loan to a qualifying border hospital shall not exceed five million dollars.

c. Any loan provided pursuant to this section shall be fully amortized and repaid over a five-year period.

d. Repayments of any loan provided pursuant to this section shall be made to the authority and the authority shall credit the moneys to the account from which it was provided.

4. Notwithstanding the purposes provided under section 16.182, subsection 1, section 16.183, subsection 1, section 16.184, subsection 1, and section 16.185, subsection 1, moneys in the funds established in sections 16.182, 16.183, 16.184, and 16.185 may be commingled and transferred for the purpose of providing financial assistance pursuant to this section or for the purposes provided under section 16.182, subsection 1, section 16.183, subsection 1, section 16.184, subsection 1, and section 16.185, subsection 1. Moneys in the funds established in sections 16.182, 16.183, 16.184, and 16.185 shall be commingled or transferred if the moneys in any of the funds individually are insufficient to provide financial assistance pursuant to this section, or to provide assistance for the purposes provided in section 16.182, subsection 1, section 16.183, subsection 1, section 16.184, subsection 1, and section 16.185, subsection 1.

5. As used in this section, unless the context otherwise requires, "hospital" means the same as defined in section

135B.1.

Sec. 43. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VII

PERSONNEL SETTLEMENT AGREEMENT PAYMENTS

Sec. 44. PERSONNEL SETTLEMENT AGREEMENT PAYMENTS. As a condition made to any appropriation to the department of cultural affairs, the economic development authority, the Iowa finance authority, the public employment relations board, the department of workforce development, the state board of regents, Iowa state university, the state university of Iowa, or the university of northern Iowa as provided in this Act, moneys appropriated and any other moneys available for use by that entity under this Act shall not be used for the payment of a personnel settlement agreement between that entity and a state employee that contains a confidentiality provision intended to prevent public disclosure of the agreement or any terms of the agreement.

KRAIG PAULSEN
Speaker of the House

PAM JOCHUM
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2460, Eighty-fifth General Assembly.

CARMINE BOAL
Chief Clerk of the House

Approved _____, 2014

TERRY E. BRANSTAD
Governor